

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
LINCOLN COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2004
Through June 30, 2005**



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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

Robbie Rudolph, Secretary
Finance and Administration Cabinet
The Honorable David Gambrel
Lincoln County Property Valuation Administrator
Stanford, Kentucky 40484

We have performed the procedures enumerated below, which were agreed to by the Lincoln County Property Valuation Administrator, (PVA) solely to assist you with the accountability for statutory contribution, receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2004 through June 30, 2005. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Lincoln County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipt ledger, a disbursement ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2005), to determine if amounts are accurate.

Finding -

Receipt and disbursement ledgers are maintained and bank reconciliations are completed each month. Amounts on the year-end bank reconciliation were determined to be accurate.

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Recorded city receipts agree with confirmations and all appropriate cities are included on the PVA's records.



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3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The fiscal court budgeted the appropriate statutory contribution required by the Department of Revenue and made payments to the PVA. The PVA deposited the statutory contribution payments to the local official bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Selected disbursements agreed to supporting documentation and were determined to be for official business. The PVA's office does not have a credit card.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

Capital outlay disbursements agreed with supporting documentation. The location of the desks, chairs, and scanner purchased was verified. The PVA is not maintaining a Capital Asset Inventory List.

PVA's Response -

I will implement a policy to maintain capital asset inventory.

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6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

The contract for software maintenance was reviewed and compared to actual payments.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The PVA did not overspend the final budget.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if the PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

Collateral was determined not to be necessary for PVA funds.

9. Procedure -

Determine whether timesheets are completed, maintained, and support hours worked.

Finding -

The employees of the PVA office did not prepare, sign, or submit timesheets.

PVA's Response -

PVA will design timesheet with assistance of PVA administrative staff.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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The Honorable David Gambrel
Lincoln County Property Valuation Administrator
(Continued)

This report is intended solely for the use of the PVA and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen
Auditor of Public Accounts

Engagement fieldwork completed -
September 28, 2005

